

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 922 - SB 1391

March 31, 2019

SUMMARY OF BILL: Removes the sheriff's responsibility to transport a person with mental illness or serious emotional disturbance for evaluation at and admission to a treatment facility. Requires the county mayor to designate a transportation agent for the county to transport such persons. Authorizes a transportation agent to seek reimbursement for the transportation services from the person's health insurance or the Department of Mental Health and Substance Abuse Services (DMHSAS), if not insured.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$5,625,600

Increase Federal Expenditures – Exceeds \$1,026,000

Decrease Local Expenditures – Exceeds \$3,602,100

Assumptions:

- The proposed legislation requires the county mayors to designate an ambulance provider as the transportation agent for the county for persons with mental illness or serious emotional disturbance whom a physician or mandatory prescreening authority has evaluated.
- Based on information provided by the DMHSAS, there was an average of 11,545 individuals who were transported to Regional Mental Health Institutes (RMHI) by law enforcement for emergency involuntary admission over the past two years. Of this number, 8,288 were admitted and 3,257 did not meet the admission criteria for a second certification. Those who were admitted were transported over 377,200 one-way miles to the RMHI. Those who were not admitted traveled over 235,600 round-trip miles to and from the RMHI back to the county of origin.
- The DMHSAS contracts with three inpatient providers for emergency involuntary inpatient services. There was an average of 2,629 individuals who were transported to these facilities. Of the 2,629 individuals, 2,580 were admitted and 49 were evaluated and released. The total mileage for these individuals was 114,700 miles.
- Assuming standard Medicare rates for ambulance transports for both rural rates and urban rates for Tennessee, the total transportation cost by ambulance for these 14,174 (11,545 + 2,629) transports is estimated to be \$9,688,081.

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- Currently, sheriffs provide these transportation services to RMHIs and private facilities and do not receive any reimbursement for such services.
- Based on information provided by the Tennessee Sheriffs' Association (TSA), that included 46 counties, sheriffs had at least 14,314 transports for a total cost of \$1,744,171 in 2018 that includes the cost for transport, personnel, and vehicle cost. Of the 14,314 total transports, 2,249 of these transports were to a state facility and 12,065 were to private facilities.
- The total number of transports statewide and associated costs incurred is unknown. However, it is reasonably estimated that the recurring decrease in local expenditures will exceed \$3,602,092 [(\$1,744,171 cost / 46 counties) x 95 counties].
- Pursuant to Tennessee Code Annotated § 33-6-406(3), all counties except for Davidson and Shelby, require the sheriff or transportation agent to notify the hospital or treatment resource of where the individual is and an estimate of anticipated arrival time at the hospital or treatment resource.
- If the sheriff or transportation agent has given notice and arrives at the hospital or treatment resource within the anticipated time of arrival, then the sheriff or transportation agent is required to remain at the hospital or treatment resource long enough for the person to be evaluated for admission, but not longer than one hour and forty-five minutes. After one hour and forty-five minutes, the person is the responsibility of the evaluating hospital or treatment resource, and the sheriff or transportation agent is allowed to leave.
- It is estimated the DMHSAS would be responsible for reimbursing the transportation agent for the wait time at the facility. Assuming the rate of \$25 per hour at an average wait time of 60 minutes, the DMHSAS would incur expenditures estimated to exceed \$354,350 [\$25 x 14,174 transports] for such transportation wait times. It is assumed wait times are not a reimbursable service.
- The proposed legislation requires the DMHSAS to provide training on mental health crisis management for transportation agents. The DMHSAS is currently required to provide such training to the sheriff's personnel; therefore, it is estimated any fiscal impact for training is not significant.
- It is estimated 16.2 percent of the involuntary emergency admissions have Medicaid; the potential reimbursement to the DMHSAS is estimated to be \$1,569,469 (\$9,688,081 x 16.2%). Medicaid expenditures receive matching funds at a rate of 65.375 percent federal funds to 34.625 percent state funds. Of this amount, \$543,429 (\$1,569,469 x 34.625%) will be in state funds and \$1,026,040 (\$1,569,469 x 65.375%) will be in federal funds.
- It is estimated 35 percent of the involuntary emergency admissions have private insurance; therefore, the potential reimbursement to the DMHSAS is estimated to be \$3,390,828 (\$9,688,081 x 35.0%).
- The total increase in state expenditures to the DMHSAS is estimated to exceed \$5,625,563 (\$9,688,081 + \$354,350 – \$1,026,040 - \$3,390,828).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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